



## Report to Cabinet

**Title: Future direction of Country Parks and Green Spaces**

**Date: 28 September 2009**

**Author: Cabinet Member for Planning Environment**

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**Electoral Divisions Affected: All**

**Portfolio Areas Affected: Planning and Environment, Resources, possibly Adults and Families and Achievement and Skills.**

**Relevant Overview and Scrutiny Committee: Overview & Scrutiny  
Commissioning Committee**

### **Summary**

The County Council owns and manages, through the Countryside and Heritage Group (C+H), large areas of land on many separate sites that are either;

1. Designated Country Parks
2. Green Spaces

The Country Parks & Green Spaces Estate fulfils three crucial roles:

- Informal outdoor public recreation. On small and large sites with a geographic spread across the county, (albeit all Country Parks apart from Stockgrove are within the south of the county).
- Protection of bio-diversity, some of European importance.
- Protection of archaeology and some built heritage.

**Despite the clear social benefits of the County Council supporting these areas they do represent a liability that is precariously funded and lacking in necessary investment.**

Financial constraints on the County Council into the foreseeable future mean it is highly unlikely that additional funding will be found to either support the increasing running cost of the Country Parks and Green Spaces or provide much needed re-investment to meet increasing public expectations and demographic changes.

The Project aims to set out options for the County Council to retain the social benefits of the Country Parks and Green Spaces and other services for Buckinghamshire while divesting itself of the liabilities. A change of management model would enable re-investment in these facilities and services but is unlikely to be achieved without transitional cost to the County Council.

A Programme Board representing a range of stakeholders has been established to investigate alternative means of managing the Country Parks and Green Spaces and will report to Cabinet at appropriate times.

### **Recommendations**

- 1. To agree for the nominated Programme Board to investigate how the Country Parks and Green Spaces should be managed and financed.**
- 2. To provide advice to the Programme Board and devolve the signing off of the Project Initiation Document (PID) to the Board.**
- 3. That the Programme Board will bring a further report to Cabinet recommending a new model for the future management of the Country Parks and Green Spaces.**

#### **A. Narrative setting out the reasons for the decision**

1. It is felt that the County Council is highly unlikely in the foreseeable future to have sufficient resources to increase funding to the Parks and Green Spaces. Income that supports the parks could decline; e.g. filming income. This will lead to an inability to fund inflationary pressures. Re-investment is needed to meet the needs & rising expectations of the 21<sup>st</sup> century user and in order to match pressures from demographic changes both from within the county & outside.
  - What is needed therefore is a management model capable of credibly meeting current funding needs *and* future investment requirements. This could be based on the 20 year costs of managing the service (a mechanism used by a number of trusts).
2. The Agricultural Estate is also managed within Countryside & Heritage and generates net income in excess of £0.2m p.a and, similarly to the Country Parks, there has been a lack of investment over a number of years. This supports the financing of the Country Parks and Green Spaces and Countryside & Heritage as

a whole however with a policy to declare surplus income from this source will decline. A review of the Agricultural Estate more than a decade ago led to the current policy which is to review the opportunities to dispose of the agricultural estate in order to generate capital receipts. The service is compensated for the loss of net income arising from disposals.

3. In 2007 LSH and Marketing Planning Associates (MPA) completed a study of Buckinghamshire Country Parks. The report recommended that the organisation of the management of the Country Parks should be reviewed with the aims of; creating greater freedoms for longer term financial planning and enabling a 15 - 20 year master plan for the Country Parks. The report also outlined the importance of property assets, their close interrelationship and corresponding link with supporting the financing of Country Parks.
4. It is important to note that there are also a number of agricultural tenancies that either directly support the financing of Country Parks for example operating the Langleigh Estate as an historic entity ie farms, woodlands and country park or where although land is part of the Agricultural Estate it is primarily managed for public access such as Missenden Abbey Parklands, Thornborough Community Woodland or Brill the Walks.
5. There are a number of potential management models, which will be considered:
  - In house (status quo) but with greater freedoms.
  - Transfer to a public sector organisation and/or shared management model.
  - Transfer to a not for profit Trust (local or national).
  - Transfer to a not for profit trust specially created for the purpose.

Appendix 1 sets out the results of an initial consideration of the advantages and disadvantages of different models.

6. There are a number of trusts already in operation and these have either been set up by a local authority (LA) or a through a new town initiative (NT) findings are as follows: -
  - Torbay Countryside and Coast Trust (LA)
  - Fife Countryside and Coast Trust (LA)
  - Marston Vale Community Forest Trust (LA/Gov' initiative)
  - Nene Park Trust (NT)
  - MK Parks Trust (NT)
7. All have been successful, to some degree, and have been in existence from 5 to 20 years and are either responsible for the management of large single sites or a number of large and small sites within a defined area. However, it would seem from researching these organisations that the most successful and financially secure trusts are those where the trust was gifted with a substantial commuted

sum and/or property portfolio capable of both delivering income and realising capital if component parts were sold, allowing a substantial financial reserve to be created. Of those listed above the Torbay Countryside and Coast Trust is perhaps the weakest due in the main to the lack of a property portfolio and their ability to create a financial reserve.

8. It is expected that the recommended management option will include one or more of the following elements:
  - A fixed sum up front to cover future costs in perpetuity.
  - The transfer of assets capable of delivering income.
  - Transfer of assets and fixed revenue.
  - A fixed sum up front to cover future costs in perpetuity and the transfer of assets

### **Expenditure on liabilities over the next 20 years**

9. Whilst only preliminary work has been carried out investigating assets and liabilities, at this stage, initial studies indicate that there are a number of assets that are being under-funded creating the necessity for the potential of large sums of money to be found over the next twenty years.
10. If the, “not for profit trust model” was chosen the financial model proposed would be to provide a sum (or sum plus freehold assets capable of delivering income) which endows sufficient finance to enable a trust to invest the said monies and use the interest to fund the on-going costs of the trust in perpetuity. The benefit to the County Council is that it will only be providing, at present day costs, what it would need to spend anyway over a 20 year period, with the added advantage that the trust would be able to access additional sources of funding that are inaccessible to BCC.
11. The Project will further research the finance required to maintain the various properties (liabilities and their costs) for example further time will be spent refining costs, deciding whether savings can be made by transferring to a trust but offsetting this with the likely and expected growth in the business prompted by additional development, particularly in the North of the County.
12. At this stage Cabinet members are requested to comment on the scope of work, agree for the nominated Programme Board to investigate how the Country Parks and Green Spaces should be funded and managed in the future and to devolve to the Programme Board the signing off of the Project Initiation Document (PID) on which this report is based.
13. For Cabinet to instruct the Programme Board to bring back to a future Cabinet meeting a further report, outlining a single management model for the Country Parks and Green Spaces.

## **B Other options available, and their pros and cons**

14. The recommendation is to authorise the exploration of options.

However, alternatives would be:

- To continue to operate as at present but without evaluating future options. As described above there are affordability issues with this option.
- Also as stated above there are a number of potential management models. It will be the responsibility of the Programme Board to select a model or models which they think are suitable and make a recommendation to Cabinet.

## **C Resource implications**

15. The costs associated with recommendations 1, 2, and 3 on page 2 are limited to the costs of servicing the Board and of any specialist advice that is required. Costs will be met by seconding officer time contained within services and from budgets contained within Planning Environment and Development, a figure of £40k for 2009 has been earmarked (likely to be for specialist legal and or financial advice). This will be reviewed by the Board and costs refined during the course of the Project.
16. The current estimated Revenue budgets for 2009/10, including those managed by Property Services and including management overheads are summarised in the table below.

	Gross Expenditure £000	Income £000	Net Budget £000
Country Parks and Green Spaces	872	427	445
Agricultural Estates	231	500	- 269
Total			176

17. Any transfer of the assets and liabilities to a third party is highly likely to be at some transitional cost to the Council. Cost will arise from 1) delivering the project; staff time and specialist legal advice etc. 2) The transaction to move the sites out of BCC. 3) Possible post-transaction unavoidable costs. The actual financial amount will be dependant on the model or models that the Board choose and subsequently recommend to Cabinet.

**D Legal implications**

18. This is very much part of the work that the Board will be undertaking but at this early stage it is envisaged that there will be legal implications but this is dependant on the final model or models recommended to Cabinet. This may involve the transfer of land and the transfer of staff. However, it is felt that as the Project progresses specialist legal advice will be required. If the new Trust option is selected any such Trust would be registered as a company limited by guarantee.

**E Property implications**

19. This project centres on the likely transfer of property assets (liabilities). At this stage the extent is unknown but this will be a major component of the Board's work. The possible property implications have already been brought to the attention of the relevant officers. The market value of the sites will be assessed but are expected to be zero or less than zero.

**F Other implications/issues**

20. It should be noted that if the Country Parks and Green Spaces were transferred to a not for profit trust model that effectively the Council will be transferring these assets and liabilities in perpetuity.

**G. Feedback from consultation and Local Member views**

21. At this stage staff have been informed with a series of meetings and regular updates and the Cabinet Member has forwarded a general update to all elected members of the Council.

**H. Communication issues**

22. A Communications Plan is in preparation and will need to be both outward and inward facing, as mentioned above elected members and staff affected are an important component as will be the District and Parish Councils as well as visitors to the sites in question.

**I. Progress Monitoring**

23. It will be the responsibility of the Programme Board to ensure that the Project is properly tracked and brought back to Cabinet in timely fashion.

**J. Review**

24. None
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## **Background Papers**

Agricultural Estates Policy, LSH review, Project Initiation Document (PID) – An investigation into alternative means of managing country parks and green spaces.

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### ***Your questions and views***

*If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.*

*If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Democratic Services Team by 5.00pm on 25 September 2009. This can be done by telephone (to 01296 383604 or 383610), Fax (to 01296 382538), or e-mail to [cabinet@buckscc.gov.uk](mailto:cabinet@buckscc.gov.uk)*

## Appendix 1

<b>BENEFITS</b>	<b>POTENTIAL DISADVANTAGES</b>
<b>Option 1 : In house</b>	
Retention of long-term expertise and management control	The lack of security of self-financing and its long term vulnerability
Protection of conservation and enhancement ethos	The inability to carry over surplus funds from year to year
Retention of strategic approach	Risk of future adverse changes in Council policy/politics and financial mechanisms
<b>Option 2 : Partnership</b>	
Retention of ownership and ultimate control	Possible conflict of ideas on future development scenarios and potential for the interpretative/educational aspects to suffer
The strength – financially, human resource and marketing wise of private-public partnership	Risk of concentration on the revenue generating aspects
Guaranteed income and a minimisation of risk	Loss of/perceived loss of security for staff
	Few organisations in the private sector are capable of taking the risk at this time
	Retention of client side officer/s required to manage contract
<b>Option 3 : Transfer to another organisation</b>	
Ability to transfer the responsibilities to another organisation	Very few, if any, organisations either in the private or public sector willing to consider or indeed take the risk at this time
	Total loss of control
	If an organisation could be found potential large sum of money required
	Very real loss of security for staff
<b>Option 4: Trust</b>	
Advantageous treatment with regard to a number of aspects of taxation	Perceived loss of some management control
80% relief for non-domestic rates	
VAT exemption for some services	Funding would have to be sought 'competitively' by the trust



Access to funds, particularly capital ie borrowing	Annual report and accounts have to be submitted by the trust to Companies House and the Charity Commission
Ability to carry over financial resources beyond the year-end for re-investment purposes	Dependant on what services were transferred core revenue funding may be required from the local authority ie buying back services
Release from restrictive and expensive procedures	New accommodation may have to be found for the trust
Charitable status and opportunity to establish subsidiary trading companies	The process is generally irreversible unless the trust fails
Access to funds which are not available to local authorities, trusts are often able to raise funds from the public e.g. legacies, and to independent charitable Trusts who favour giving to charities and not to local authorities.	
The opportunity for community involvement in decision making and action (Can formally represent and help to meet the needs of the community) whilst giving the assurance that they are being monitored and advised by the Charities Commission	
Removal from the pressures of reductions in local authority budgets	
If a locally created trust was chosen as the receiver body, kudos from being involved and assisting in its creation	